

Message Text

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STATE FOR CASEY

COPENHAGEN FOR ARMSTRONG

SPECIAL: STADIS////////////////////////////////////

EXDIS

E. O. 11652 : N/A

TAGS: EMIN, ETRD

SUBJECT: STEEL VRA

REF: STATE 55234

1. UNDER SECRETARY CASEY, ASST. SECRETARY ARMSTRONG, AND EMBASSY OFFICER MET WITH THE FOLLOWING BRITISH STEEL CORPORATION OFFICIALS: LORD MELCHETT CHAIRMAN,. LITTMAN DEPURY CHAIRMAN AND INTERNATIONAL AFFAIRS DIRECTOR, LORD LAYTON CONNERCAIL DIRECTOR, AND LAUGHTON CHIEF LEGAL ADVISOR.

2. UNDER SECRETARY CASEY OPENED THE MEETING BY REVIEWING THE JUDICIAL CASE UP TO THE PRESENT TIME. HE EXPLAINED THE DEPARTMENT OF STATE' S DESIRE THAT THE BRITISH STEEL CORP. STAY WITH THE AGREEMENT THROUGH THE APPELLATE PROCESS. IN ANSWERING BSC' S VERY PESSIMISTIC VIEWPOINT ON THE UPOCMING JUDGMENT, MR. CASEY NOTED THE IMPOSSIBILITY
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OF BEING ABLE TO PREDICT WHAT THE JUDGMENT WOULD BE. MR. CASEY NOTED THAT SEEKING SUSPENSION BEFORE THE JUDGMENT WOULD ADVERSELY AFFECT (A) THE MERITS OF THE CASE ITSELF AND (B) THE TRADE BILL BECAUSE OF THE ENCOURAGEMENT IT WOULD PROBABLY GIVE TO THE INSTITUTION OF QUOTA ARRANGEMENTS. MR. CASEY NOTED THAT IN THE US VIEW SUSPENSION WAS TANTAMOUNT TO TERMINATION IN THAT IT WOULD AFFECT THE BILL AND RAISE THE POSSIBILITY OF QUOTAS. LORD MELCHETT RAISED THE QUESTION OF WHAT THE EFFECT WOULD BE IF ONLY THE CASE ITSELF WAS SUSPENDED. MR. CASEY EXPLAINED THAT THIS WOULD HAVE THE SAME EFFECT OF THE TRADE BILL AND THE MERITS OF THE CASE ITSELF. LORD MELCHETT EXPLAINED BSC FEELS GREATER PRESSURE FROM THE CASE THAN THE OTHER EUROPEANS. UNDER THE STATURE OF LIMITATIONS THE EXPOSURE OF THE EUROPEANS WHO HAVE BEEN INCLUDED LONGER, CANNOT BECOME GREATER BUT BSC IS STILL ACCRUING TIME WHICH INCREASES THE DAMAGES FOR WHICH IT WOULD BE LIABLE IF IT LOST THE CASE.

3. ON THE QUESTION OF THE INTRODUCTION OF IMMEDIATE LEGISLATION, MR. CASEY NOTED BOTH THE DIFFICULTY OF THIS

PROCEDURE BEFORE THE APPELLATE JUDGEMENT AS WELL AS CHAIRMAN MILLS DISPOSITION AGAINST SEEKING LEGISLATION BEFORE THE JUDGEMENT. IN ANSWER TO BSC'S QUESTIONS ABOUT THE INTRODUCTION OF LEGISLATION AFTER THE APPELLATE JUDGEMENT, MR. CASEY EXPLAINED THAT CHAIRMAN MILLS HAD INDICATED HE WOULD CONSIDER INTRODUCING LEGISLATION AT THE CONFERENCE STAGE OF THE TRADE BILL. MR. CASEY NOTED THE TIME SCHEDULE FOR THE APPEALS WOULD ALLOW ENOUGH TIME FOR THE INTRODUCTION OF LEGISLATION AT THE CONFERENCE STAGE IF THERE WAS A NEGATIVE COURT RULING. MR. CASEY ALSO EXPLAINED THE PROCEDURE OF THE CONFERENCE STAGE OF LEGISLATION AND THUS SEEMED TO CLEAR UP SOME OF THE CONFUSION OF THE BSC SIDE ABOUT THE LEGISLATIVE PROCESS.

4. BSC ASKED IF THE STATE DEPARTMENT WOULD MAKE PUBLIC ITS INTENTIONS TO SEEK LEGISLATION IN THE TRADE BILL IMMEDIATELY AFTER THE APPELLATE JUDGEMENT. MR. CASEY NOTED THAT THIS WAS TOO HYPOTHETICAL AND THAT WE COULD NOT FORECAST WHAT THE JUDGEMENT WOULD BE AND THAT SUCH A STATEMENT COULD ONLY BE MADE IN THE POLITICAL CONTEXT LIMITED OFFICIAL USE

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OF ITS ACCEPTANCE BY LEGISLATIVE LEADERSHIP. MR. CASEY

SAID THAT THE DEPARTMENT OF STATE WOULD CONSIDER MAKING AN ANNOUNCEMENT OF INTENTION FOR SEEKING LEGISLATION AFTER EXAMINING THE COURT RULING AND AFTER EXAMINING THE POLITICAL CLIMATE. MR. CASEY AGREED TO FULL CONSULTATIONS WITH THE MEMBERS OF THE AGREEMENT AFTER THE COURT RULING.

5. IN ANSWER TO BSC REQUEST, MR. CASEY NOTED THAT HE WOULD PUT INTO WRITING TO BARON VAN DER REST THE REMARKS HE HAD MADE TO BSC ABOUT THE DEPARTMENT VIEWS ON THE PROCEDURE UP TO THE COURT DECISION AND WHAT MIGHT HAPPEN AFTER THE COURT RULING. THIS WILL BE COMMUNICATED TO BARON VAN DER REST BEFORE THE APRIL 5 MEETING OF THE EUROPEAN MEMBERS.

6. ABOVE DRAFTED AFTER DEPARTURE OF CASEY AND ARMSTRONG. DEPARTMENT REPEAT AS DESIRED.
ANNENBERG

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